

Message Text

PAGE 01 STATE 106197

43

ORIGIN XMB-04

INFO OCT-01 ARA-06 ISO-00 EB-07 COME-00 TRSE-00 OPIC-03

AID-05 (ISO) R

DRAFTED BY XMB:PJGOSNELL:HLB

APPROVED BY XMB - P.J.GOSNELL

XMB - E.JO'CONNOR (DRAFT)

XMB - WWGLICK (DRAFT)

ARA/CEN/CR - MBOVA (DRAFT)

EB/OCA/REP - LAKLIEFORTH (DRAFT)

EB/CBA/OCA - RSWART (DRAFT)

----- 056585

R 071532Z MAY 75

FM SECSTATE WASHDC

TO AMEMBASSY SAN JOSE

C O N F I D E N T I A L STATE 106197

E.O. 11652: GDS

TAGS: EGEN, CS

SUBJECT: EX-IM BANK FINANCING FOR PROJECTS IN COSTA RICA

REF: SAN JOSE 01344

1. THROUGH INFORMAL INQUIRIES AND REFERENCED CABLE, EXIM BANK IS AWARE OF POTENTIAL FINANCING REQUESTS FROM THE GOCR THAT MAY TOTAL 200 MILLION DOLLARS. THIS FIGURE INCLUDES FINANCING FOR ROAD CONSTRUCTION EQUIPMENT, A CEMENT PLANT, A JET AIRCRAFT FOR THE NATIONAL AIRLINE, AND AS YET UNIDENTIFIED EQUIPMENT TO BE PURCHASED BY THE NATIONAL PRODUCTION COUNCIL.

2. IN LIGHT OF PAST RESCHEDULINGS OF EXIM BANK CREDITS TO GOCR FOR ROAD CONSTRUCTION, THE COUNTRY'S POOR EXTERNAL CURRENT ACCOUNT PERFORMANCE, AND THE RELATIVELY SMALL SIZE AND ABSORPTIVE CAPACITY OF THE ECONOMY, EXIM BANK HAS
CONFIDENTIAL

PAGE 02 STATE 106197

ADOPTED A CAUTIOUS ATTITUDE TOWARD INCREASES IN ITS PRESENT 57 MILLION DOLLARS EXPOSURE IN COSTA RICA. EXIM BANK WOULD PREFER THAT ADDITIONAL EXPOSURE ON LARGE TRANSACTIONS SHOULD GENERALLY BE LIMITED TO SELF-LIQUIDATING, FOREIGN

EXCHANGE EARNING TRANSACTIONS.

3. PRESENT AND CONTEMPLATED DEVELOPMENT LOANS FROM THE INTER-AMERICAN DEVELOPMENT BANK AND THE CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION ON THE ORDER OF 60-80 MILLION DOLLARS FOR ROADS, AS DETAILED IN THE CEPIC'S REVIEW DOCUMENT ON COSTA RICA, SHOULD MEET THE GOCR'S NEEDS IN THIS FIELD AND BE PREFERRED TO EXIM BANK SINCE THEY COULD PROVIDE MORE FAVORABLE TERMS.

4. EXIM BANK HAS SERIOUS RESERVATIONS ABOUT A LARGE CEMENT PLANT, THE COST OF WHICH WE UNDERSTAND RANGES FROM 20 TO 80 MILLION DOLLARS. FYI, THE OFFICIAL GERMAN EXPORT CREDIT AGENCY, INFORMED EXIM BANK ON MARCH 10, 1975 THAT IT DECLINED TO SUPPORT THE SALE OF GERMAN EQUIPMENT FOR A 50 MILLION DOLLAR CEMENT PLANT.

5. EXIM BANK CONTINUES TO PROVIDE SHORT AND MEDIUM TERM INSURANCE AND GUARANTEES FOR TRANSACTIONS OF MODERATE AMOUNTS. MOREOVER, ADDITIONAL EXPOSURE WILL LIKELY BE INCURRED IN THE FORESEEABLE FUTURE THROUGH THE COOPERATIVE FINANCING FACILITY. THESE PROGRAMS APPEAR TO BE APPROPRIATE TO THE NEEDS OF COSTA RICAN IMPORTERS.

6. APPRECIATE EMBASSY'S INFORMING EXIM BANK OF EXPORT OPPORTUNITIES AND WISH TO ASSURE EMBASSY THAT EXIM BANK WILL GIVE SERIOUS CONSIDERATION TO APPROPRIATE TRANSACTIONS WITHIN LIMITATIONS MENTIONED ABOVE. KISSINGER

CONFIDENTIAL

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK LOANS, FINANCIAL PROGRAMS, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 07 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE106197
Document Source: ADS
Document Unique ID: 00
Drafter: XMB:PJGOSNELL:HLB
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Film Number: D750160-0773
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t197505101/baaaaixz.tel
Line Count: 85
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN XMB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 08 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 SEP 2003 by CunninFX>; APPROVED <13 NOV 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 971002
Subject: n/a
TAGS: EFIN, EGEN, CS, XMB
To: SAN JOSE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006